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If you have sold or transferred all your shares in GFT Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GFT HOLDINGS LIMITED

真樂發控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

**DISCLOSEABLE TRANSACTION
RELATING TO ACQUISITION OF PROPERTY**

Financial adviser to the Company



Optima Capital Limited

4 December 2007

** for identification purpose only*

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:—

“Acquisition”	acquisition of the Property by Kennex Investments pursuant to the Agreement
“Agent”	Centaline Property Agency Limited, the property agent for the Acquisition
“Agreement”	the preliminary sale and purchase agreement of the Property dated 10 November 2007 signed among Kennex Investments, Vendor and the Agent
“Board”	the board of Directors
“Company”	GFT Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Kennex Investments”	Kennex Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Latest Practicable Date”	29 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the office unit located at Unit 5, 8th floor, Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Kowloon, Hong Kong
“Rights Issue”	the issue of Rights Shares on the basis of three Rights Shares for every existing Share held at a price of HK\$0.038 per Rights Share, details of which are set out in the Company’s circular dated 1 November 2007
“Rights Shares”	4,693,672,800 new Shares to be issued under the Rights Issue

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary share(s) of HK\$0.025 each in the existing capital of the Company
“Shareholders”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Bao Chang”	Bao Chang Investment Holding Limited, the vendor of the Property
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



GFT HOLDINGS LIMITED

真樂發控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 1003)

Executive Directors:

Mr. Ha Kee Choy, Eugene
Ms. Ma Wai Man, Catherine

Independent Non-executive Directors:

Mr. Cheng Yuk Wo
Mr. Chui Chi Yun, Robert
Mr. Lai Wing Leung, Peter

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 707, Tower II, Admiralty Centre
18 Harcourt Road
Hong Kong

4 December 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION RELATING TO ACQUISITION OF PROPERTY

On 10 November 2007, Kennex Investments, a wholly-owned subsidiary of the Company, entered into the Agreement to acquire the Property from Bao Chang for a cash consideration of HK\$17,712,600.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information in relation to the Acquisition.

** for identification purpose only*

LETTER FROM THE BOARD

THE AGREEMENT

Parties

Vendor: Bao Chang. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules). As informed by the Agent, the Vendor's principal activity is trading of electronic components.

Purchaser: Kennex Investments, a wholly-owned subsidiary of the Company.

Agent: Centaline Property Agency Limited. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, the Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Summary

Pursuant to the Agreement, the Vendor agreed to sell, and Kennex Investments agreed to purchase, the Property for a cash consideration of HK\$17,712,600. The parties are required to enter into a formal agreement for the sale and purchase of the Property on or before 28 November 2007. The said formal agreement has been entered into on 28 November 2007. Completion of the Acquisition is expected to be on or before 20 February 2008.

Consideration and payment terms

The consideration payable by Kennex Investments for the acquisition of the Property shall be HK\$17,712,600 and payable in cash in the following manner:

- (i) an initial deposit of HK\$1,000,000 has been paid upon signing of the Agreement;
- (ii) a further deposit of HK\$1,656,890 has been paid upon signing of a formal sale and purchase agreement on 28 November 2007; and
- (iii) the remaining balance of HK\$15,055,710 will be payable upon completion of the Acquisition which shall take place on or before 20 February 2008.

The consideration for the Acquisition has been determined after arm's length negotiations between the parties through the Agent with reference to recent transacted prices in the same building. The consideration will be financed entirely by internal resources of the Group.

Other terms

Each of the Vendor and Kennex Investments shall pay a commission equivalent to 1% of the consideration for the Property (i.e. HK\$177,126) on or before 20 February 2008 in consideration of the service rendered by the Agent.

LETTER FROM THE BOARD

INFORMATION ON THE PROPERTY

The Property is an office unit, with a total gross floor area of approximately 2,228 square feet, and is currently vacant. As informed by the Agent, the Property has not been leased out since 2004 and no rental income is expected to have been generated from the Property for the two financial years immediately preceding the transaction.

After completion of the Acquisition, the Group intends to hold the Property for its own office use. Therefore, the Acquisition is not expected to have any material financial effects on the earnings, assets and liabilities of the Group.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in trading of toy, gift and premium products and securities trading and investments.

The Company takes the opportunity to acquire the Property with larger area for its own use to cater for expansion in the future. Taking into account the location of the Property and the anticipated blooming of the commercial property market in Hong Kong, the Directors consider that the terms of the Agreement including the consideration for the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of
GFT Holdings Limited
Ma Wai Man, Catherine
Executive Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS**(a) Interests of Directors and chief executives**

As at the Latest Practicable Date, none of the Directors or the chief executives of the Company and their associates had any interests or short positions in any Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

(i) *long position in Shares*

Name	Capacity and nature of interest	Number of Shares held	Approximate percentage of shareholding
Tse Cho Tseung	Through controlled corporation	141,224,000 (Note 1)	9.03% (Note 2)
Glory Winning Investment Limited	Directly beneficially owned	141,224,000 (Note 1)	9.03% (Note 2)
Galaxy China Opportunities Fund	Directly beneficially owned	92,600,000	5.92% (Note 2)
Deutsche Bank Aktiengesellschaft	Persons having a security interest in shares	92,600,000	5.92% (Note 2)
Honeylink Agents Limited (Note 3)	Through controlled corporation	4,693,672,800	75.00% (Note 4)
Get Nice Holdings Limited (Note 3)	Through controlled corporation	4,693,672,800	75.00% (Note 4)
Get Nice Incorporated (Note 3)	Through controlled corporation	4,693,672,800	75.00% (Note 4)
Get Nice Investment Limited (Note 3)	Directly beneficially owned	4,693,672,800	75.00% (Note 4)

Notes:

- These are the Shares held by Glory Winning Investment Limited, a company held by Mr. Tse Cho Tseung and Tellus Investments Limited, the entire issued share capital of which is held by Mr. Tse Cho Tseung, in equal shares. If Glory Winning Investment Limited takes up all its entitlements under the Rights Issue in full, the number of Shares held by it will be increased to 564,896,000 immediately after the Rights Issue.
- The percentage shareholding is calculated on the basis of 1,564,557,600 Shares in issue as at the Latest Practicable Date.
- These are the Rights Shares which Get Nice Investment Limited has underwritten in respect of the Rights Issue. Get Nice Investment Limited is wholly-owned by Get Nice Incorporated which in turn is wholly-owned by Get Nice Holdings Limited. As at the Latest Practicable Date, Get Nice Holdings Limited is owned as to approximately 24.12% by Honeylink Agents Limited in which Mr. Hung Hon Man is the beneficial owner.
- The percentage shareholding is calculated on the basis of 6,258,230,400 Shares in issue immediately after the Rights Issue.

(ii) interest in other members of the Group

Name of non-wholly owned subsidiary of the Company	Name of registered substantial shareholders (other than members of the Group)	Number of shares held	Approximate percentage of shareholding
Yanyan Force Limited	Ng Kai Lok, Paul	40 ordinary shares of HK\$1 each	40%

Save as disclosed above, the Directors were not aware that there was any person (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

(c) Directors' interests in assets/contracts and other interests

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

None of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2006, being the date to which the latest published audited consolidated financial statements of the Group were made up.

3. SERVICES CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

4. COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

5. LITIGATION

On 8 October 2004, a writ of summons was filed by Mr. Kwok Chin Wing (“Kwok”), a former director of the Company, against the Company in respect of the loans due from two former subsidiaries of the Company for a sum of approximately HK\$44.5 million together with accrued interests thereof (the “Action”).

The Company had already completed discovery of all documentary evidence and exchange of witness statements and was ready to proceed with the trial since early 2006. However, Kwok took out applications in July 2006 for substantial amendments to his Re-Re-Amended Statement of Claim (the “Amendment Application”) and joinder of party to the Action (the “Joinder Application”). The Amendment Application and the Joinder Application had substantially delayed the setting down of the Action for trial.

The Amendment Application and the Joinder Application were granted by the Court on 19 April 2007. The newly joined party has filed his Defence to Kwok’s claims in the Action and the Company has also made consequential amendments to its Defence. The parties are now working on the proper directions for the further conduct of the Action. Notwithstanding the substantial amendments made to the Re-Re-Amended Statement of Claim and the joining of a new party to the Action, the solicitors and counsel acting for the Company still hold good of their advice previously delivered to the Company. With the benefit of the advice of solicitors and counsel acting for the Company, the directors of the Company formed the opinion that Kwok does not have a valid claim against the Company and therefore it is unlikely to have any material adverse financial impact on the Group.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, neither the Company nor other member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. GENERAL

The secretary and qualified accountant of the Company is Ms. Lau Siu Mui, who is a member of the Association of Chartered Certified Accountants.